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DETROIT, MI 48213
UNITED STATES US

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TO **CAROLE NEVILLE**
DENTONS US LLP
1221 AVENUE OF THE AMERICAS

NEW YORK CITY NY 10020

(212) 768-6700

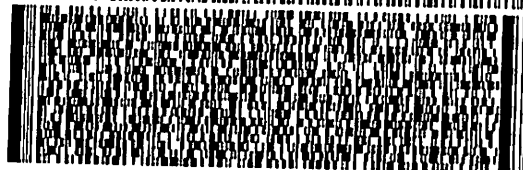
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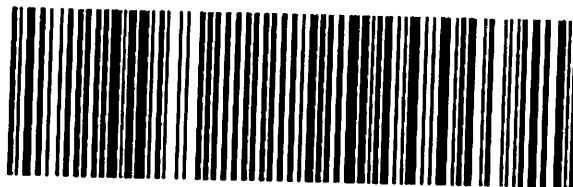
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U.S. BANKRUPTCY COURT
E.D. MICHIGAN-DETROIT

2014 DEC 12 A 10:39

FILED (I)

December 9, 2014

Via FedEx DeliveryThomasina Barge
5226 Newport Street
Detroit, Michigan 48213*"CORRECTED COPY REQUESTED"*

Re: Pension Claim

Dear Ms. Barge:

I represent the Official Committee of Retirees. The Committee was appointed to represent all retirees of the City of Detroit in the City's bankruptcy case. I was in Court the day you presented your motion to file a late claim to Judge Rhodes. I have discussed your claim with the City's lawyers and have reviewed the background of your claim. I hope this letter will help you understand the information on your ballot and the treatment of your claim.

Although the Court did not require retirees to file proofs of claim in the bankruptcy case for their pension benefits, the Committee filed proofs of claim on behalf of all retirees of the General Retirement System (GRS) and the Police and Fire Fighters Retirement System as a precautionary measure to insure the retirees' right of recovery on pension claims. The claims filed by the Committee included an amount for your pension claim. As a result, there was no need for you to file an individual claim.

The claims filed by the Committee were calculated by the Committee's actuaries. The actuaries assumed that each retiree was entitled to a pension, with annual escalators, for the rest of his or her life determined by mortality tables for each retiree. The calculation of the claim took into account the assets in each of the pension plans. In addition, the actuaries calculated the amount that would be required to fulfill the lifetime pension promises to all retirees assuming a conservative rate of return on the pension plan assets.

The claims filed by the Committee assumed that the pension plans were terminated by the City. However, during the bankruptcy case, the City agreed with the Committee not to terminate the pension plans. Instead, the City proposed in its plan of adjustment (Plan) to reduce pensions like yours by 4.5% and to eliminate the annual escalators, but the pension plans would continue to make payments to you over your lifetime. The approximate amount of your monthly pension appears on your ballot. You are a creditor under the Plan and your recovery on account of your pension claim is the payment of your monthly pension in the reduced amount and without annual escalators for your lifetime.

The amount of your claim listed on the ballot was calculated only for purposes of voting on the Plan and does not necessarily represent the amount you will receive as pension benefits over time. The Committee wanted each retiree to have a vote for or against the Plan's treatment of retirees. To determine whether the Plan is accepted by a class of creditors, the court takes into account both the number of yes votes and the aggregate dollar amount of the yes votes. To complete that computation for acceptance of the Plan, our actuaries calculated the dollar amount of a claim for each retiree. That

December 9, 2014
Page 2

amount appears on your ballot on the first page. The actuaries used the same method for calculating your claim for voting purposes as they had used in the preparation of the claims that the Committee filed. The calculation of your claim for purposes of voting was based on your life expectancy as set forth on the mortality tables. The actuaries took into account the amount of the pension plan assets. Your pension claim was also calculated as if you were going to receive annual escalators to your pension. After taking into account all these factors, the actuaries calculated your share of the amount required to fulfill the lifetime pension promises to all retirees assuming a 6.75% rate of return on the pension plan assets.

As the retirees voted on the Plan, the balloting agent added the dollar amount and number of the claims voted yes and no and determined that the yes votes prevailed by the required amount and number. Because the retiree class as a group accepted the Plan, the City was able to take advantage of a settlement with the State and other parties to reduce pension reductions. Retirees who rejected the Plan did not give up the right to recover on their pension claims just like retirees who voted yes. In other words, you did not give up your right to the payment of your monthly pension in the reduced amount and without the annual escalator for your lifetime.

The amount of the claim on your ballot was \$18,823.00. This was just an estimate of what your future pension payments might be worth if paid today. If the City had not reached an agreement to continue supporting the pension plans, you may have had a claim payable along with the other unsecured creditors, which we believe would have been payable in exchange for value estimated to be worth about 10 cents on the dollar. Instead of your lifetime pension as adjusted, you might have received a distribution worth only \$1,882.30. By preserving most of your benefits, you will have a much greater recovery under the Plan.

I also wanted to address a couple of other points. First, you participated in the annuity savings plan or ASF. Because you collected your annuity amount so long ago, your pension payments will not be subject to further reduction for what the Plan calls "ASF Recoupment." Second, you successfully challenged a determination that you did not qualify for a pension based on your years of service. After prevailing in that challenge, you received a lump sum as a "catch-up" on missed pension benefits. This lump sum catch-up payment also is not being challenged or impacted by the Plan.

If you have any questions about this explanation, please feel free to call me

Sincerely,



Carole Neville

cc: Jeffrey B. Ellman (via e-mail)
Sarah Heck Griffin (via e-mail)

WED-42909 0645-2 nctdngaj 13-53846
David Gilbert Heiman
901 Lakeside Avenue
Cleveland, OH 44114

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Detroit, MI 48213-9741

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**GENERAL RETIREMENT
SYSTEM
OF THE CITY OF DETROIT
BENEFIT ESTIMATE**

Calculated on: 12/02/2013
(Vested Pension Effective 8/1/2004)



BARGE, THOMASENA
5226 NEWPORT ST
DETROIT MI 48213

Date of Birth: [REDACTED]
Service Date 07/09/1978
Retirement Date: 8/1/2004
Member Age YR MO
62 0

Calculation Factors Effective 04/29/1988
SSN: [REDACTED]

Pension #: 196890

<u>Revenue Group</u>	<u>Service Credit Years</u>	<u>Service Credit Months</u>	<u>(A F C)</u> <u>Average Final Compensation</u>	
1	10	3	AFC from Wages	\$16,681.61
Included Military Service Credit	0	0		

TOTAL PENSION PRIOR TO OPTION SELECTION

<u>Service Pension</u>	+	<u>Basic Pension</u>	=	<u>Total Pension</u>	<u>Annuity Balance</u>
\$2,570.22		\$120.00		\$2,690.22	\$0.00

15.408% Pension Calculation Percentage Factor

FOR QUESTIONS AND/OR APPOINTMENTS, PHONE (313) 224-3362

**THIS IS A RETIREMENT ESTIMATE BASED ON
INFORMATION AVAILABLE AT THIS TIME. IT SHOULD NOT BE
INTERPRETED AS A FINAL RETIREMENT ALLOWANCE**

GENERAL RETIREMENT SYSTEM BENEFIT ESTIMATE

Calculated on: 12/02/2013

BARGE, THOMASENA
Pension #: 196890

Equated 62
[0.9304731]

Equated 65
[0.739805]

		STANDARD	BEFORE 62	AFTER 62	BEFORE 65	AFTER 65
<u>Straight Life</u>	<u>City Portion</u>	\$224.18	\$0.00	\$208.59	\$390.03	\$165.85
0.008522	Annuity	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Total	\$224.18	\$0.00	\$208.59	\$390.03	\$165.85
<u>Cash Refund Ann.</u>	<u>City Portion</u>	\$224.18	\$0.00	\$208.59	\$390.03	\$165.85
0.008369	Annuity	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Total	\$224.18	\$0.00	\$208.59	\$390.03	\$165.85



GENERAL RETIREMENT SYSTEM
OF THE
CITY OF DETROIT

2 WOODWARD AVE. STE. 908
DETROIT, MI 48226-3413
PHONE 313-224-3362
TOLL FREE 800-339-8344
FAX 313-224-3522

January 23, 2014

THOMASENA BARGE
5226 NEWPORT ST
DETROIT MI 48213-3741

Re: N-196890

Dear Ms. Barge:

On January 22, 2014, the Board of Trustees approved your ~~Vested Retirement~~, effective August 1, 2002.

You selected the Straight Life Retirement Allowance. Upon your death, your retirement allowance will stop. Your accumulated contributions from the Annuity Savings Fund have already been refunded to you.

Your benefit will be approximately \$224.18 per month. Your first check covering the period from August 1, 2002 through February 28, 2014 will be mailed to you on or about March 1, 2014.

Very truly yours,

BOARD OF TRUSTEES

General Retirement System